

Dr. Allene Magill, Superintendent  
Dr. Ben Benson, Board Chair  
Paul Kreager, Vice Chair

Don Hendricks, Board Member  
Sherry Sagemiller, Board Member  
Eddie Taylor, Board Member

101 School Street, Cumming, Georgia 30040 Telephone #: 770-887-2461

June 25, 1999

Federal Communications Commission  
Office of the Secretary  
445 12<sup>th</sup> Street SW  
Room TW-A325  
Washington, DC 20554

96-45  
RECEIVED  
JUN 28 1999  
FCC MAIL ROOM

Re: Billed Entity Number: 146140  
Application Number: 53108  
Funding Request Number(s): 50213, 54199  
SLD Decision Dated: May 26, 1999

Dear Office of the Secretary,

The Schools and Libraries Corporation has denied two sections of our E-Rate application based on the fact that we have a fiber optic network that has not been installed by a "sanctioned" telecommunications carrier. We currently use the local cable company as the transport to provide Internet access to each school.

The E-Rate application document titled "CC Docket No. 96-45" clearly points out that cable providers are not normally considered providers of interstate telecommunications. Why does it make any difference whether I chose to lease fiber optic cable from a local cable company, Prestige Cable (Spin# 143005897), verses a recognized telecommunications carrier like BellSouth Communications (SPIN #143004824)?

BellSouth Communications was asked to provide for an ATM network for all schools in our district. As it turns out, BellSouth Communications did not have the infrastructure in place for our county to provide the level of services we required. By infrastructure, I refer to availability of fiber to construct a dedicated, ATM-based transport for each school in our district.

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List A B C D E

The SLD has denied our E-Rate application solely on the fact that a portion of the fiber optic lines for each school are utilized for data traffic as well as Internet access and that such must be provided by an "eligible" telecommunications provider. The eligible telecommunications provider for our county, BellSouth Communications, could not deliver. The only option available to our school district was to work with the local cable company to provide a fiber-based, wide-area-network that had the capacity to deliver ATM level connectivity to each school for Internet access, as well as other school district data.

The SLC along with the FCC has systematically narrowed the options for school districts to provide for Internet access to the classroom. The "rule" that that local cable companies can not participate in the E-Rate program needs to be amended. Flexibility is needed in situations when the "approved" telecommunications provider in a school district can not deliver the level of services needed.

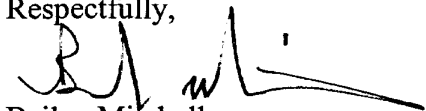
It is no wonder that a majority of the fiber optic cable being installed around the globe is not in the United States. Rather, it is in far reaching countries like China and South America. Both of these third-world countries have a common attribute that sets them apart from the United States, no regulation. This fact highlights the importance of telecommunications infrastructure in the global economy and raises the question: "What country will actually get there first?" Clearly, it will not be the United States.

The rules you have set forth as the basis for denying selected sections our school district's E-Rate application are wrong and are impacting our ability to provide high-speed connections to the Internet for our classrooms, and ultimately our students. I am going to assume that the rules which spell out that "only authorized telecommunications providers can be used" exists due to the powerful lobby of these companies. Obviously, the influence of the large telecommunications companies has impacted the FCC bureaucracy in such as way as to eliminate any "competition" in the form of a local cable company from participating in the E-Rate program.

If our E-Rate applications is denied, yet again, please provide a through explanation as to why these rules exists so I can better explain to our school district, local board and community why we can not benefit form the telecommunications funds for schools and libraries that we all contribute to each month.

This appeals process is frustrating in that we have fully complied with the intent of the E-Rate program; to provide for improved telecommunications and Internet access for our students. There is no doubt that the future has in fact arrived, it is just not evenly distributed.

Respectfully,

A handwritten signature in black ink, appearing to read 'Bailey Mitchell', with a long horizontal flourish extending to the right.

Bailey Mitchell

Technology Director, Forsyth County School District

## ATTACHMENTS

USAC Administrator's Decision on Appeal for Forsyth County Schools, Letter dated May 26, 1999

Forsyth County School's Appeal Letter to the SLC dated March 7, 1999

SLC Funding Notification, Pages 5 - 6

Forsyth County School's E-Rate Application, Attachment #3 and #4

Email from Russell Bauer, SLC Accountant

Schools and Libraries Eligibility List, CC Docket No. 96-45, Page 1

### Contact Information:

Bailey Mitchell  
Technology Director  
Forsyth County School District  
101 School Street  
Cumming, GA 30040  
(770) 888-3473 #222  
[bmitchell@forsyth.k12.ga.us](mailto:bmitchell@forsyth.k12.ga.us)

Box 125 – Correspondence Unit  
100 South Jefferson Road  
Whippany, New Jersey 07981

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**Administrator's Decision on Appeal**

May 26, 1999

Mr. Bailey Mitchell  
Forsyth County School District  
101 School St.  
Cumming, GA 30040

Re:      Billed Entity Number:            146140  
         Application Number:                53108  
         Funding Request Number(s):    50213, 54199  
         Your Correspondence Dated:    March 7, 1999

After thorough review and investigation of your appeal, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company has resolved your appeal which seeks approval of additional discounts for the first program year. This letter addresses our decision concerning each Funding Request Number that was included in your letter of appeal for the above referenced Application Number. If your letter of appeal addressed more than one Application Number, a separate letter will be issued to inform you of our decision on the appeal of each Application Number included in your appeal.

Funding Request Numbers:    50213, 54199  
Decision on Appeal                Denied in full.

The following explanation is provided to inform you of the reason for our decision on appeal of these Funding Request Numbers, for those appeals that are denied in full.

**Denial Reason(s):**

- Your request for funding for Internet services provided by Prestige Cable TV is being denied. In your application you indicate a mixed use of this line i.e. data and Internet. In a phone conversation with our office it was indicated that this leased line includes a majority of Internet content but also includes data transmission. Since a portion of this line is used for data transmission it must be provided by an eligible telecommunication provider. According to our records the vendor supplying this service is not a recognized telecommunication provider.

If you feel further examination of your application is in order, you may file an appeal with the Federal Communications Commission, Office of the Secretary, 445 12<sup>th</sup> Street SW, Room TW-A325, Washington, DC 20554. Before preparing and submitting your appeal, please be sure to review the FCC rules concerning the filing of an appeal of an Administrator's Decision, which are posted to the

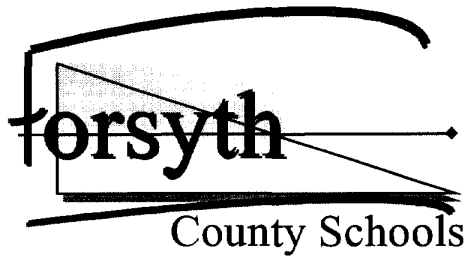
SLD Web Site at <[www.sl.universalservice.org](http://www.sl.universalservice.org)>. You must file your appeal with the FCC no later than 30 days from the date of the issuance of this letter, in order for your appeal to be timely filed.

Once this appeal decision letter is issued to you, we can and will process invoices that may be submitted for Funding Request Numbers approved for discount in the Funding Commitment Decisions Letter that was originally issued to you.

We thank you for your continued support, patience, and cooperation during the appeal process.

Schools and Libraries Division  
Universal Service Administrative Company

Dr. Allene Magill, Superintendent  
Dr. Ben Benson, Board Chair  
Paul Kreager, Vice Chair



Don Hendricks, Board Member  
Sherry Sagemiller, Board Member  
Eddie Taylor, Board Member

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101 School Street, Cumming, Georgia 30040 Telephone #: 770-887-2461

March 7, 1999

Schools and Libraries Corporation  
Correspondence Unit - Box 125  
1000 South Jefferson Rd.  
Whippany, NJ 07981

Dear Schools and Libraries Correspondence Unit,

I am writing to officially file an appeal for our E-Rate application:

Application #: 53108  
Funding Year: 1998  
Billed Entity #: 146140

We specifically applied for a discount on services provided by our Telecommunications Provider, Prestige Cable T.V., Inc. (SPIN #143005897)

Specifically Funding Request #00050213 and #00054199 were rejected due to reclassification to the "Internal Connections" category. The two funding requests make up our wide-area-network that provides Internet service to each school.

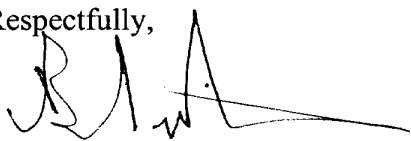
How is this any different from my E-Rate funded neighbors in Gwinnett, Cherokee and Atlanta City school systems in providing Internet access to each school via T-1 lines provided by BellSouth Telecommunications (Spin #: 143004824). It is clear that the Schools and Libraries Corporation have systematically excluded services provided by local cable companies as eligible for reimbursement under the E-rate program. We stand to lose a significant portion of our E-Rate discount due to the reclassification of these two items to an unrelated category called "Internal Connections."

The actual wording of the denial is as follows: "The category of service changed from Internet Access to Internal Connections"

Our wide-area-network consists of an ATM configuration using single mode fiber leased from Prestige Cable T.V., Inc to deliver Internet service to each school. This is by no means an "Internal Connection" as you claim. It is in fact, a telecommunications network likened to the design used by BellSouth Telecommunication's customers to connect schools to a high-speed Internet service. Again, how can you classify this as an "Internal Connection.?"

I am aware that the SLC is holding back funds for appeals. We intend to do whatever is necessary to pursue fairness in our efforts to get a discount on the Internet services provided for our students. Thank you for your consideration and review of our appeal.

Respectfully,

A handwritten signature in black ink, appearing to read 'Bailey Mitchell', with a long horizontal flourish extending to the right.

Bailey Mitchell, Technology Director

Billed Entity #: 146140

Application #: 53108

Funding Year: 1998

Forsyth County School District

101 School St.

Cumming, GA 30040

(770) 888-3473 #224

Fax: (770) 888-3474

[bmitchell@forsyth.k12.ga.us](mailto:bmitchell@forsyth.k12.ga.us)

#### ATTACHMENTS

Notification from SLC on Unfunded and Denied items from Prestige Cable T.V., Inc.  
Attachment #3 and #4 from our original Form 471 Application for discounts

SLC Funding Notification Synopsis for Application Number: 00053108

Funding Request Number:00050207 Funding Status: Unfunded or Denied  
SPIN: 143004615 Service Provider Name: 3Com Corporation  
Provider Contract Number: 210965  
Services Ordered: Internal Connections (Shared)  
Effective Date of Discount: 01/01/1998 Contract Expiration Date: 11/04/1998  
Estimated Total Annual Pre-discount Cost: \$39,886.00  
Discount Percentage Approved by SLC: N/A  
Funding Commitment Decision: \$0.00 - Srvc/Discnt will NOT be funded  
Funding Commitment Decision Explanation: Funding cap will not provide for Internal Connections less than 62% discount to be funded. Please see WWW.SLCFUND.ORG What's New Area for further details.

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Funding Request Number:00050213 Funding Status: Unfunded or Denied  
SPIN: 143005897 Service Provider Name: PRESTIGE CABLE T.V., INC.  
Provider Contract Number: 3151997  
Services Ordered: Internal Connections (Shared)  
Effective Date of Discount: 01/01/1998 Contract Expiration Date: 04/01/1998  
Estimated Total Annual Pre-discount Cost: \$45,750.00  
Discount Percentage Approved by SLC: N/A  
Funding Commitment Decision: \$0.00 - Srvc/Discnt will NOT be funded  
Funding Commitment Decision Explanation: The category of service changed from Internet Access to Internal Connections. Funding cap will not provide for Internal Connections less than 62% discount to

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Funding Request Number:00050221 Funding Status: Unfunded or Denied  
SPIN: 143005371 Service Provider Name: T-One Inc.  
Provider Contract Number: 711997  
Services Ordered: Internal Connections (Shared)  
Effective Date of Discount: 01/01/1998 Contract Expiration Date: 07/01/1998  
Estimated Total Annual Pre-discount Cost: \$36,000.00  
Discount Percentage Approved by SLC: N/A  
Funding Commitment Decision: \$0.00 - Srvc/Discnt will NOT be funded  
Funding Commitment Decision Explanation: Funding cap will not provide for Internal Connections less than 62% discount to be funded. Please see WWW.SLCFUND.ORG What's New Area for further details.

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Funding Request Number:00054199 Funding Status: Unfunded or Denied  
SPIN: 143005897 Service Provider Name: PRESTIGE CABLE T.V., INC.  
Provider Contract Number: 411998  
Services Ordered: Internal Connections (Shared)  
Effective Date of Discount: 04/01/1998 Contract Expiration Date: 12/31/1998  
Estimated Total Annual Pre-discount Cost: \$269,550.00  
Discount Percentage Approved by SLC: N/A  
Funding Commitment Decision: \$0.00 - Srvc/Discnt will NOT be funded  
Funding Commitment Decision Explanation: The category of service changed from Internet Access to Internal Connections. Funding cap will not provide for Internal Connections less than 62% discount to



Funded

Funding Request Number:00054215 Funding Status: Funded  
SPIN: 143004824 Service Provider Name: BellSouth Telecommunications, Inc.  
Provider Contract Number: 7708872461615  
Services Ordered: Telecommunications Services 6/30/1999  
Effective Date of Discount: 01/01/1998 Contract Expiration Date: 12/24/2001  
Estimated Total Annual Pre-discount Cost: \$335,790.00  
Discount Percentage Approved by SLC: 41%  
Funding Commitment Decision: \$137,673.90 - 471 approved; modified by SLC

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Funding Request Number:00054231 Funding Status: Unfunded or Denied  
SPIN: 143004615 Service Provider Name: 3Com Corporation  
Provider Contract Number: 215060  
Services Ordered: Internal Connections (Shared)  
Effective Date of Discount: 01/01/1998 Contract Expiration Date: 09/15/1998  
Estimated Total Annual Pre-discount Cost: \$19,817.00  
Discount Percentage Approved by SLC: N/A  
Funding Commitment Decision: \$0.00 - Svc/Discnt will NOT be funded  
Funding Commitment Decision Explanation: Funding cap will not provide for Internal  
Connections less than 62% discount to be funded. Please see WWW.SLCFUND.ORG What's  
New Area for further details.

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Funding Request Number:00054327 Funding Status: Unfunded or Denied  
SPIN: 143005371 Service Provider Name: T-One Inc.  
Provider Contract Number: OM1998  
Services Ordered: Internal Connections  
Effective Date of Discount: 06/01/1998 Contract Expiration Date: 12/31/1998  
Estimated Total Annual Pre-discount Cost: \$18,268.00  
Discount Percentage Approved by SLC: N/A  
Funding Commitment Decision: \$0.00 - Svc/Discnt will NOT be funded  
Funding Commitment Decision Explanation: Funding cap will not provide for Internal  
Connections less than 62% discount to be funded. Please see WWW.SLCFUND.ORG What's  
New Area for further details.

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Funding Request Number:00054339 Funding Status: Unfunded or Denied  
SPIN: 143005371 Service Provider Name: T-One Inc.  
Provider Contract Number: NW1998  
Services Ordered: Internal Connections  
Effective Date of Discount: 06/01/1998 Contract Expiration Date: 12/31/1998  
Estimated Total Annual Pre-discount Cost: \$129,051.00  
Discount Percentage Approved by SLC: N/A  
Funding Commitment Decision: \$0.00 - Svc/Discnt will NOT be funded  
Funding Commitment Decision Explanation: Funding cap will not provide for Internal  
Connections less than 62% discount to be funded. Please see WWW.SLCFUND.ORG What's  
New Area for further details.

Attachment #3

SLC Provider #: 143005897

USC Control #: 507130000003274

Contract #: 411998

Scope of Work:

Prestige Cable TV, Inc. will provide the following to the Forsyth County School System:

- 1) 9Mbs of committed information rate access into the UUNet/Worldcom Internet backbone transported over the following:
  - A fiber-based DS3 circuit running from the Worldcom POP in downtown Atlanta, GA. The portion of the fiber link from Atlanta to the Forsyth County line will be provided by MediaOne; the portion of the link from the Forsyth County line to Prestige's office in downtown Cumming, GA will be provided by Prestige Cable.
  - The DS3 will terminate into a Cisco 7206 Router that resides in Prestige's Cable's headend equipment.
  - Connectivity to the Forsyth County Schools will be provided through a Fast Ethernet port on the router and will be transported over single mode fiber with fiber optic transceivers on each end.
  - The circuit will be monitored during regular business hours by Prestige Cable; UUNet will monitor the circuit 24X7, contacting Prestige Cable directly if there are any problems.
  - The access charge for this connection will be \$10,000 per month for a total of \$120,000 per year.
- 2) A fiber-based wide area network connecting 21 schools and back to the Forsyth County central office.
  - The network will consist of approximately 78 miles of single and multi-mode fiber.
  - All data (including Internet traffic) will be transported at ATM speeds (155 Mbs).
  - Prestige will be responsible for maintaining and monitoring the connections all the way up to pre-determined termination points; the school system will be responsible for wiring beyond these points as well as maintenance of its internal equipment.
  - Charges for the the Internet Access at 21 schools total \$239,400 per year.

Total cost for the ATM network and 9Mbs of Internet access will be \$359,400 annually.

Attachment #4

SLC Provider #: 143005897

USC Control #: 330920000077483

Contract #: 3151997

Scope of Work:

Prestige Cable TV, Inc. provides the following to the Forsyth County School System:

- 1) 1Mbs of shared information rate access into the UUNet/Worldcom Internet backbone transported over the following:
- 2) A telco based T-1 circuit running from UUNET. A fiber-based wide area network connecting 15 schools and back to the Forsyth County central office.
  - The network consist of single and multi-mode fiber.
  - All data (including Internet traffic) is transported at ATM speeds (155 Mbs).
  - Prestige is responsible for maintaining and monitoring the connections all the way up to pre-determined termination points; the school system is responsible for wiring beyond these points as well as maintenance of its internal equipment.
  - Charges for the the Internet Access at 15 schools total \$183,000 per year.

**SCHOOLS AND LIBRARIES<sup>2, 3</sup>  
Eligibility List**

SERVICE	ELEMENT/ DESCRIPTION	ELIGIBLE YES/NO	PARAGRAPH CITE
<b>TELECOMMUNICATIONS SERVICES</b>			
<p><b>The primary purpose of the services for which support is sought must be the delivery of services to the classrooms or other places of instruction at schools and libraries that meet the statutory definition of an eligible institution. Support for the administrative functions of library or education programs is permitted so long as the services are part of the network of shared services for learning. Support will be limited to services delivered to the onsite educational facility or facilities.<sup>4</sup></b></p> <p>The Paragraph Cite column represents the paragraph from FCC 97-157, FCC 97-420, Appendix or the FCC Public Notice "Updated Frequently Asked Questions on Universal Service and the Snowe-Rockefeller-Exon-Kerrey Amendment" that is most closely associated with the particular service. The information in the column is not intended to be all inclusive and other references should be considered.</p>			
Asynchronous Transfer Mode (ATM)	ATM is a high bandwidth switching technology that can handle all types of traffic such as voice, video, data, images, high quality audio and multimedia. It uses small, fixed size cells and is asynchronous because cells are transmitted through a network on an "as needed" basis and not merely transmitted during specific time intervals. It can be used for both WAN and LAN applications and provides a seamless interworking between the two. ATM is a technology designed to combine the benefits of switching technology with those of packet switching.	Yes	431
Cable TV Access	Only if the service is provided as a commercially available telecommunications service, or part of Internet access, or an internal connection that is necessary to transport information to individual classrooms. <u>Under the cite, cable providers are not normally considered providers of interstate telecommunications.</u>	Conditional	§ 54.703 Appendix I Final Rules 450

<sup>1</sup> Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776 (1997).  
ERRATA released 6/04/97 and 12/24/97.

<sup>2</sup> Eligible schools and libraries should receive discounts of between 20 and 90 percent on all telecommunications services, Internet access and internal connections provided by telecommunications carriers.

<sup>3</sup> Eligible schools and libraries will be permitted to apply their relevant discounts to information services provided by entities that consist of:

- (i) the transmission of information as a common carrier;
- (ii) the transmission of information as part of a gateway to an information service, where that transmission does not involve the generation or alteration of the content of information but may include data transmission, address translation, protocol conversion, billing management, introductory information content, and navigational systems that enable users to access information services that do not affect the presentation of such information services to users; and
- (iii) electronic mail services [e-mail].

<sup>4</sup> Formal position statement adopted by the Schools and Libraries Corporation Board of Directors on November 20, 1997.

**Mitchell, Bailey**

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**From:** RUSSELL BAUER[SMTP:RBAUER@neca.org]  
**Sent:** Thursday, April 15, 1999 4:18 PM  
**To:** bmittchell@forsyth.k12.ga.us  
**Subject:** Appeal Letter Dated March 7, 1999

Mr. Bailey Mitchell  
Billed Entity # 146140  
Application # 53108  
Funding Year 1998  
Forsyth County Schools

Mr. Mitchell:

In order for us to effectively process your appeal concerning Funding Request Number 50213 and 54199 we require the following:

1. Copy of contracts with Prestige Cable T.V.
2. Your attachment Number 3 and 4, supplied with both appeal letter and original application, you indicate both the T-1 and fiber-based WAN will be transporting "All data (including Internet traffic)". Please supply the percentage of Internet use of these lines. I understand that an exact percentage would be difficult so we are asking for your "best" guess.

We appreciate your cooperation in this matter and will endeavor to resolve this matter as soon as possible

If you need to contact me my direct line is 973-581-6723, or you may fax me at 973-581-6759. Thanking you in advance...

Russ Bauer